

CDBG Policy Committee Meeting
RETREAT – June 23, 2005
MINUTES

Present:

Chesley Christensen, Mayor, Mt. Pleasant - SCAOG
Jerry McNeely, Commissioner, Southeastern Utah ALG
Constance Robinson, Mayor, Paragonah - FCAOG
McKay Willis, Mayor, Laketown - BRAG
Carol Page, Commissioner, Davis County - WFRC
Jim Abegglen, Commissioner, Uintah County – UBAG (Substitute)

Excused:

Lewis Marchant, Mayor, Kamas City - MAG

Guests:

Garth Daniels, CDFI (Community Development Financial Institution), Missy Larsen

AOG Staff:

Edwin Benson, Penny Fuellenbach, Six County AOG; Heidi DeMarco, Mountainland AOG;
Diane Lamoureux, Five County AOG; LaNiece Dustman, Wasatch Front Regional Council;
Yankton Johnson, Uintah Basin AOG; Debbie Hatt, Southeastern Utah ALG; Cindy Hall, Glen
Busch, Bear River AOG

DCED Staff: Gordon Walker, Keith Heaton, Glenna Matekel, Cheryl Elliott, and Julie Tuimauga

1. **WELCOME/INTRODUCTIONS, Mayor Chesley Christensen:** The retreat was hosted in the Uintah Basin region. The location was at the LC Ranch and the meeting began at 9:00a.m.

Approval of Minutes (February 2005): The board accepted the minutes as written.

Motion: Mayor Robinson made a motion to accept the minutes. Mayor Willis seconded the motion and the motion carried.

2. **CDBG TRAINING, Keith Heaton:** The following items were discussed during the meeting –
 - Rating & Ranking – HUD views the state’s method of distribution as high risk because the state allows the local regions to assess and prioritize the needs in their respective communities. The state CDBG office recognizes the efforts of each region to improve the rating and ranking process as needed.
 - Emergency Fund – Each regional rating and ranking criteria should describe what constitutes an emergency and how a jurisdiction would apply for emergency funding. The rating and ranking criteria should also disclose the details of any emergency projects funded the past year. There was also discussion as to how the fund would be accessed and how it would be re-paid. Any grant money given to a region on an emergency basis would be deducted from the respective region’s allocation the following year.

- Set-a-Side – Keith advised the committee members that the state staff would no longer be lenient with regional set-a-side funds. Each set-a-side fund must be clearly identified in the rating and ranking criteria. Set-a-sides must be based on general activities and cannot be project specific. The committee and AOG staff members were reminded of the need to allow fair competition for any projects which compete for federal dollars. This meant that a broad base should be created to ensure a level playing field and that the set-a-side could not be specific to a project. Keith also reiterated the importance of sufficient public notification and involvement. Any projects funded with set-a-side money should be reflected in the Consolidated Plan.
3. **FEDERAL BUDGET, Keith Heaton:** The committee was advised that the CDBG program would stay under the umbrella of HUD, at least for the next year. However, regions should plan on the funding being reduced by approximately six percent this next program year.
 4. **INTERIM LOANS, Keith Heaton:** HUD allows for Economic Development projects to be funded out of the CDBG program. Five of the seven regions in the state utilize the revolving loan fund as a means to capitalize on the opportunity the program offers.

Keith noted that in dealing with large sums of loans, the state staff recently found out that IDIS (Integrated Disbursement Information System) does not have the capability to carry float loans and requested the committee members to keep this in mind.

- **Update on Temkin International, Inc.;** – Heidi DeMarco reported that the loan to Temkin International was closed on June 15 and a check for \$2 million was received. The Mountainland Association of Government sponsored Temkin’s loan application for property acquisition. The payback would begin in two years and be complete in five years, with a two percent interest rate. A letter of credit, as required, was received in behalf of Temkin International.
 - **Update on Barnes Bullets** – Heidi said that this company is still working on their letter of credit. Barnes Bullets has one year from date of approval (February 2005) to receive their letter of credit.
 - **CDFI** – The capital market to fund businesses is not always stable. CDFI’s goal is to provide capital for business ventures that cannot be financed by the banks. CDFI has about 15 business partners from around the county. Dr. Garth Daniels feels that his business goals are a match with the objectives of the CDBG program. Dr. Daniels stated that CDFI is particular with the deals that they fund to ensure that money is paid back. The committee was unclear as to what benefits CDFI would provide compared to the program dealing directly with individual businesses. Additionally and most importantly, the committee was unclear as to whom the letter of credit would cover – i.e. the state or CDFI. The committee made it clear that the letter of credit must be payable to the state. Dr. Daniels will continue to work with two companies, R Squared Holdings and REVV Industries to obtain suitable letters of credit.
5. **2006 CALENDAR; Julie Tuimauga:** The 2006 calendar was distributed to all committee members and AOG staff. Julie highlighted activities and important dates that everyone should note.
 6. **HOMELESS YOUTH, Missy Larsen:** Missy was invited to the retreat because one of the objectives adopted by the Policy Committee was to “decrease juvenile crime, teen pregnancy, drug and alcohol abuse and family violence”. Missy is a social activist and her focus is on

homeless and ‘throw-away’ youth. She defined ‘throw-away’ youth as those that their families do not want to return home. Throughout the state there are anywhere between 1500 – 2000 homeless youth. Missy said that homeless youth (18 and under) cannot enter into contracts, for example to rent a home. In one of her recent efforts to protect ‘throw-away’ youth she wrote an emancipation law for the state – Utah does not have one; unfortunately, it did not pass in the past legislative session. She wants to educate people of the importance of this law (HB77). By passing HB77, it gives ‘throw-away’ youth the right to be adults and to live independently. Missy asked the committee to consider a set-a-side in their regions for the youth to help them transition safely into adulthood.

7. **EMERGENCY LOAN, Glen Busch:** Glen presented an emergency loan request of \$35,000.00 from Box Elder County to fund an ambulance for Park Valley. The county is leveraging funds to purchase a used vehicle. The only ambulance for this town was destroyed in a fire in February. Park Valley has a 95 percent LMI. A motion was called to approve the emergency loan.

Motion: Commissioner Page made a motion to approve the emergency request of \$35,000.00 from Box Elder for the purchase of an ambulance for Park Valley. Mayor Robinson seconded the motion and the motion carried.

8. **PERFORMANCE MEASURES, Cheryl Elliott:** HUD encourages performance measures from states that are receiving federal money. HUD recently accepted a model from COSCDA (Council of State Community Development Agencies). Cheryl distributed the performance measures model proposed for the CDBG final application and advised that it would be incorporated in the application guide for 2006. State staff would be providing instructions in the new Application Guide to help applicants identify performance measurements.
9. **ALLOCATION FOR 2005, Glenna Matekel:** Glenna disbursed a copy of the allocation for each region. She explained the formula with which the allocations were calculated. A motion was called to approve the funding allocation.

presented. Mayor Willis seconded the motion and the motion carried.

The next meeting is scheduled for August 30, at the Department of Community and Culture, 324 South State Street, #500, Salt Lake City. The retreat/meeting was closed at 2:00 p.m.